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5 October 1954

**IMPLEMENTATION OF THE REPORT OF THE
SURVEY OF USIA's INTELLIGENCE NEEDS AND ASSETS**

On 23 July 1954 the Director of Central Intelligence approved the Report of the "Survey of USIA's Intelligence Needs and Assets" (IAC-D-82/1). The following progress has been made in the implementation of each recommendation of that Report:

Part 1 -- Intelligence Needs

Recommendation: 4a. That the Director of USIA approve the statement of "Types of Intelligence and Intelligence Information Required to Meet USIA's Essential Needs" (Conclusion 3c, pp. 1-3, IAC-D-82/1) as the basis for requesting intelligence and intelligence information for USIA.

Progress: Approved by the Director of USIA in his letter to the Director of Central Intelligence of 30 July 1954.

Recommendation: 4b. That the IAC agencies approve the statement of "Types of Intelligence and Intelligence Information Required to Meet USIA's Essential Needs" as a basis for providing intelligence and intelligence information needed by USIA.

Progress: Approved by the IAC (IAC-D-82/5).

Recommendation: 4c. That the IAC approve the distribution of National Intelligence to USIA.

Progress: Approved by the IAC. On 9 September 1954 the National Security Council designated USIA as a recipient of national intelligence, subject to IAC determination (IAC-D-82/3 and IAC-D-45/12.6).

Recommendation: 4d. That CIA and State approve the distribution of certain of their intelligence publications to USIA.

Progress: CIA's approval given by the DCI when he approved the Report on 23 July 1954 in his letter to the Director, USIA. State's approval given by letter from the Acting Special Assistant to the Secretary of State to the DCI on 28 July 1954.

State Dept. review completed

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Recommendation: 4e. That USIA arrange directly with the military intelligence agencies for receipt of certain of their intelligence publications.

Progress: USIA has addressed the military agencies by letter to institute discussions for receipt by USIA of military intelligence. ONI and G-2 have responded and, according to USIA, there has been no problem with respect to obtaining intelligence from those two services. The Air Force has not yet responded, but is expected to do so shortly.

Part 2 -- Related Needs of Other Agencies

Recommendation: 4. That the appropriate IAC members approve conclusions 3a and 3b as a basis for providing intelligence support to meet the related needs of other agencies. (3a concluded that the statement of the "Types of Intelligence and Intelligence Information Required to Meet USIA's Essential Needs" would serve, with certain modifications, to meet the related needs of other agencies. 3b concluded that, in the main, the intelligence should be provided by a single organization.)

Progress: Approved by the IAC (IAC-D-82/5).

Part 3 -- Organizational Arrangements

Recommendation: 4a. That the Department of State, as the appropriate agency under NSCID-3, expand and redirect the resources of its intelligence organization so as to accomplish the additional recommended production, principally under the NIS program. This will require the use for these purposes of additional funds and personnel over and above those now available in the Department of State or elsewhere. Eventually the additional outlay required under the NIS program might amount to \$400,000 or possibly more. Because of problems of recruitment and production planning, however, only \$150,000 to \$200,000 and 30 to 40 additional slots over and above those originally budgeted will be required for these purposes in fiscal year 1955. Except insofar as these resources can be made available by the curtailment of other activities in the Department of State's intelligence organization or elsewhere, the necessary funds should be provided

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by the Central Intelligence Agency through the NIS program, pending a reexamination of the method of financing that program.

Progress: The DCI, by letter of 23 September 1954 to the Department of State, approved financial support for fiscal 1955 and 1956, subject to review by the Bureau of the Budget, for expansion of NIS as recommended by the USIA Survey, except on the subject of expanded NIS production on international communism. The question of the location of responsibility for expanded production on international communism is currently under discussion between CIA and the Department of State.

Reexamination of the method of financing the State Department's NIS program is to be concluded by 15 February 1955 in order that the budget for fiscal year 1957 may reflect the decision.

Recommendation: 4b. That USIA establish an intelligence organization (with functions and organization as set forth in the USIA Survey Report) separate from the Department of State and with funds provided by USIA's regular appropriations. Until a sufficient amount of time has passed for the implementation of this Report, the organization should have a T/O of an order of magnitude of 70 to 90 positions.

Progress: The intelligence organization recommended by the Survey has been established and key officials appointed. Its T/O is set at 95 persons, including seven for the provision of information about the United States required for the output of USIA. This function was not considered in the Survey. Its major organizational problem is in recruitment, particularly the recruitment of key area intelligence analysts.

Recommendation: 4c. That the following organizations now under the administration of USIA be abolished: CPI, VOA Library and Research, Photo and IPS Libraries, and that part of IEV which has been engaged in the collection and production of intelligence. The slots and money thus freed will be enough to meet a T/O of the order of magnitude described above.

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Progress: All units recommended for abolition have been abolished with the exception of a small Photo morgue (printed material is in Library) which is remaining with the Press Service.

Recommendation: 4d. That USIA be invited to participate in pertinent activities of the IAC subcommittees on basic intelligence, defectors, and foreign language publications.

Progress: The Acting DCI, on 17 August 1954, requested that the Chairmen of the three subcommittees take the necessary action. The Director of the new USIA Intelligence Organization has already conferred with the Chairmen of the IDC and FLP subcommittees and USIA is now represented on both.

When appropriate, the Director, USIA intelligence, will be invited by the Chairman of the NIS committee to participate in a detailed discussion of requirements with the NIS committee (including discussion of a revision of the NIS outline).

Recommendation: 4e. That CIA issue instructions to the field to report, insofar as possible, available "descriptive detail" of items of local interest.

Progress: CIA has issued the necessary instructions to its overseas missions.

Recommendation: 4f. That USIA inform the intelligence agencies as to USIA's present security practices in order to assure safe handling of classified intelligence and information, and make such adjustments as may be necessary to insure the necessary freedom of exchange and discussion.

Progress: USIA's security office has so informed the intelligence agencies.

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Part 4 -- USIA Assets

Recommendation: 4a. That USIS reporting be conducted under the direction of the USIA intelligence organization in coordination with the Department of State.

Recommendation: 4b. That such reporting be coordinated in the field by the Chief of the U.S. Mission, as is his responsibility generally.

Progress: The Director of the USIA Intelligence Organization, due to the newness of his organization, is not yet prepared to institute the reporting actions. However, in order to educate the PAO's and USIS personnel on the recommendations of the Survey, he is preparing a briefing circular for the field, which he will coordinate before dispatch with the Department of State and the CIA. The circular, it is planned, will be part of the initiation of coordinated field reporting.